

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549-0402

JC 1301361



August 10, 2004

Joseph A. Stegbauer Senior Counsel The Procter & Gamble Company Legal Division 1 P&G Plaza Cincinnati, Ohio 45202-3315

Re:

The Procter & Gamble Company

Incoming letter dated June 2, 2004

Availability: 8 10 20

Dear Mr. Stegbauer:

This is in response to your letters dated June 2, 2004 and July 9, 2004 concerning the shareholder proposals submitted to Procter & Gamble by John Jennings Crapo. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

PROCESSED

AUG 26 2004

THOMSON FINANCIAL Cectar Lelevan

Martin P. Dunn Deputy Director

Enclosures

cc:

John Jennings Crapo P.O. Box 400151

Cambridge, MA 02140-0002



Joseph A. Stegbauer Senior Counsel

> Phone: (513) 983-2810 Fax: (513) 983-2611 stegbauer.ja@pg.com

July 9, 2004

# Via Fed-Ex and Certified Mail #7000-1670-0001-3329-0292 Return Receipt Requested

ATTENTION GRACE LEE, ESQ.
OFFICE OF THE CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE
SECURITIES AND EXCHANGE COMMISSION
450 FIFTH STREET, NW
WASHINGTON, DC 20549

Re: <u>The Procter & Gamble Company – Two Shareholder Proposals submitted by</u> John Jennings Crapo

Ladies and Gentlemen:

This letter and the enclosed material are submitted on behalf of The Procter & Gamble Company (the "Company") in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

As further described in a letter dated June 2, 2004 (the "June SEC Letter"), the Company has received two proposal letters, the first dated February 14, 2004 (the "February Proposal"), and the second dated March 12, 2004 (the "March Proposal"), from Mr. John Jennings Crapo (the "Proponent"), for inclusion in the Company's Proxy Statement for its 2004 Annual Meeting of Shareholders. The Company has previously requested the Staff's concurrence that no enforcement action will be recommended if the Company omits both the February Proposal and the March Proposal from its Proxy Statement.

In addition, the Company previously noted that there are numerous substantive bases for objection to the February Proposal and the March Proposal under Rule 14a-8 (i) under the Exchange Act. In light of the procedural deficiencies discussed in this letter, the Company refrained from raising those substantive objections at this time. We respectfully reserve our right to raise such objections should the relief requested herein not be granted by the Staff.

We are copying the Proponent on this letter.

On May 27, 2004, the Company wrote the Proponent a letter (the "March 27 Letter") notifying the Proponent that the Company intended to exclude the Proponent's proposal dated March 12, 2004 because, for the reasons set forth in the March 27 Letter and the June SEC Letter, the proposal constituted a second proposal in violation of Exchange Act rule 14a-8(c) and in addition, standing on its own, the March 12, 2004 proposal itself contained multiple proposals in violation of Exchange Act rule 14a-8(c). In the May 27 Letter, the Company advised the proponent that he had 14 days from the date of his receipt of the May 27 Letter to submit a revised proposal that complied with Exchange Act rule 14a-8(c).

The Company subsequently received a return receipt from the U.S. Postal Service confirming that the Proponent received the May 27 Letter on June 16, 2004. To date, the Company has received no response from the Proponent, and the allotted 14 days have long since passed. We have enclosed six (6) copies of the May 27 Letter and the return receipt.

Accordingly, for the reasons set forth in this letter and the June SEC Letter, the Company respectfully requests that you concur in our view that, in accordance with Rule14a-8(j), the Company may properly exclude from its Proxy Materials for the 2004 Annual Meeting both the February Proposal and the March Proposal. Your confirmation that the Staff will not recommend enforcement action if both proposals are omitted from the 2004 Proxy Statement is respectfully requested.

Should you have any questions regarding this matter or require any additional information, please contact me at (513) 983-2810. Please acknowledge receipt of this letter by date-stamping the enclosed additional copy of this letter and returning it in the enclosed envelope.

Sincerely,

Joseph A. Stegbauer Senior Counsel

Enclosures

cc: John Jennings Crapo – w/enclosures

via Certified Mail #7000 1670 0001 3329 0308

and regular U.S. Mail



Joseph A. Stegbauer Senior Counsel

The Procter & Gamble Company Legal Division 1 P&G Plaza Cincinnati, OH 45202-3315 www.pg.com Phone: (513) 983-2810 Fax: (513) 983-2611 stegbauer.ja@pg.com

June 2, 2004

Via Certified Mail #7099-3400-0001-0767-6979 -Return Receipt Requested and Regular U.S. Mail

OFFICE OF THE CHIEF COUNSEL DIVISION OF CORPORATION FINANCE SECURITIES AND EXCHANGE COMMISSION 450 FIFTH STREET, NW WASHINGTON, DC 20549

Re: <u>The Procter & Gamble Company – Two Shareholder Proposals submitted by</u> John Jennings Crapo

Ladies and Gentlemen:

This letter and the enclosed material are submitted on behalf of The Procter & Gamble Company (the "Company") in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Company has received two proposal letters, the first dated February 14, 2004 (the "February Proposal"), and the second dated March 12, 2004 (the "March Proposal"), from Mr. John Jennings Crapo (the "Proponent"), for inclusion in the Company's Proxy Statement for its 2004 Annual Meeting of Shareholders. The Company respectfully requests the Staff's concurrence that no enforcement action will be recommended if the Company omits both the February Proposal and the March Proposal from its Proxy Statement.

The Company notes that there are numerous substantive bases for objection to the February Proposal and the March Proposal under Rule 14a-8 (i) under the Exchange Act. In light of the procedural deficiencies discussed in this letter, the Company is refraining from raising those substantive objections at this time. We respectfully reserve our right to raise such objections should the relief requested herein not be granted by the Staff.

Pursuant to Rule 14a-8(j) under the Exchange Act, please find enclosed six copies of the February Proposal, the March Proposal, this letter and all other correspondence between the Proponent and the Company relating to these proposals. The Company is simultaneously providing a copy of this submission to the Proponent.



#### Background

The Company received the February Proposal on February 27, 2004. The February Proposal proposes that the "Board of Directors publish in the proxy statement of the company of the next successive shareholders meeting a report concerning Metamucil Fiber Wafers, Fiber Laxative" and includes a lengthy, largely incomprehensible supporting statement pertaining to unrelated personal, family, and health matters. On March 5, 2004, within 14 days of receipt of the February Proposal, the Company sent a letter to the Proponent (the "Notice of Defects"), informing the Proponent that the February Proposal was not in compliance with the length requirements prescribed in Rule 14a-8(d) and that the Proponent was required to cure this deficiency within 14 calendar days of receipt of the Notice of Defects. The Company received no response from the Proponent.

Thereafter, the Company received the March Proposal. The March Proposal relates to an entirely different subject matter than the February Proposal, and makes no reference to the February Proposal. Specifically, the March Proposal does not mention that it is intended to amend or replace the February Proposal. The March Proposal requests that the Company take action with respect to 14 separate items and includes a supporting statement that makes no mention of any of the 14 items but instead describes the Proponent's recent visit to the supermarket to purchase a liquid soap product and his difficulties carrying satchels and attaché cases.

After discussions with the Staff, on May 26, 2004, the Company sent a letter informing the Proponent of the Company's intention to exclude the March Proposal from its Proxy Statement, for the reasons discussed below.

#### **Grounds for Exclusion**

Exclusion of the February Proposal pursuant to Rule 14a-8(d) and Rule 14a-8(f).

Rule 14a-8(d) establishes a 500 word limitation for shareholder proposals. Generally, the Staff has permitted the omission of a shareholder proposal from proxy materials where a proponent failed to revise a proposal to comply with the 500 word limitation. See *Amgen, Inc.*, January 12, 2004; *Honeywell International, Inc.*, April 19, 2002; *FirstEnergy Corp.*, March 19, 2002 (proposal excluded pursuant to 14a-8(d) as the proponent failed to revise the proposal to less than 500 words within 14 days of receipt of FirstEnergy's request and 14a-8(f)). As the February Proposal exceeds the 500 word limit, the Company believes it is excludable pursuant to Rule 14a-8(d). Further, as the Proponent failed to cure the deficiency contained in the February Proposal, the Company believes it may be omitted from the Proxy Statement under Rule 14a-8(f).



### Exclusion of the March Proposal as the Proponent's second proposal pursuant to Rule 14a-8(c).

Rule 14a-8(c) provides that each shareholder may submit no more than one proposal for a particular shareholders' meeting. The February Proposal and the March Proposal constitute two entirely unrelated and distinct proposals. The Proponent makes no indication that the March Proposal was intended to serve as a replacement to or a revision of the February Proposal. The March Proposal does not mention the February Proposal at all, nor does the March Proposal mention the Company's letter informing the Proponent of the defects in the February Proposal. Therefore, the Company believes the March Proposal may be excluded from the Company's Proxy Statement because it violates Rule 14a-8(c). In this regard, we note that the Staff has consistently concurred with the exclusion of a second proposal pursuant to Rule 14a-8(c). See Citigroup Inc., March 7, 2002; Motorola, Inc., December 31, 2001; Beverly Enterprises, Inc., February 7, 1991(exclusion permitted based upon a shareholder's submission of two proposals). In addition, we note the Proponent should be well aware of the prohibition against the submission of multiple proposals, because the Staff has consistently concurred with the exclusion of proposals in other cases in which the Proponent submitted two proposals. See The Adams Express Company, September 25, 1992, in which the Staff concurred that a second proposal by Mr. Crapo was excludable as a violation of the single proposal requirement. See also The Procter & Gamble Company, March 20, 2003, in which the Staff concurred that a proposal by Mr. Crapo was excludable because he had previously submitted a proposal for inclusion in the Company's proxy materials with respect to the same meeting.

#### Exclusion of the March Proposal as multiple proposals pursuant to Rule 14a-8(c).

We also believe that the March Proposal may be excluded under Rule 14a-8(c) as the March Proposal itself is not a single proposal, but rather consists of 14 separate items dealing with a variety of unrelated matters. The 14 proposals request:

- (1) Elimination of all future stock option grants and rescission of all existing stock options;
- (2) Elimination of all bonuses, to be replaced by a merit system of pay increases for all employees;
- (3) The imposition of severance pay limitations for all personnel;
- (4) Elimination of all "other perks to Corporate America" not granted to all personnel;
- (5) Elimination of all present and future "golden parachutes," with all personnel being treated the same as executives;
- (6) Elimination of all hiring bonuses;
- (7) Elimination of all present and future loans to any members of the Company;
- (8) Prohibition of all repurchases of stock from any member of the Company;
- (9) Prohibition of any repricing of stock options;



- (10) Elimination of all consultancy contracts to retiring executives to put them on same parity as all personnel;
- (11) Elimination of any special retentive payments to executives;
- (12) Prohibition on the purchase of "any special insurance policies for Corporate America that fail to be in compliance with the Corporate insurance policy prevailing for all personnel";
- (13) Elimination of any special monetary or other financial grants to retiring executives; and
- (14) "We provide a brief summary of what we want."

The foregoing proposals cover a variety of different topics, encompassing matters of executive compensation, various compensation and benefit matters pertaining to employees generally, employee welfare and working conditions, consulting agreements between the Company and its former employees, prohibition of loans to employees, proposed limitations on the Company's ability to repurchase its stock, and a proposal that "[w]e provide a brief summary of what we want."

The Staff has previously concluded that substantially distinct multiple proposals will not be considered as a single proposal and has permitted the exclusion of shareholder proposals containing multiple unrelated concepts. See *Ford Motor Company*, April 4, 2003 (proponent submitted 18 proposals that did not relate to a single concept); *IGEN International, Inc.*, July 3, 2000 (proponent submitted seven distinct proposals). We note that the Staff has in the past permitted multiple proposals to be treated as one proposal, where those proposals all related to a single, specific concept. However, the Proponent's proposals do not concern a single concept, but rather involve multiple unrelated concepts. Accordingly, we believe that the March Proposal may be excluded from the Company's Proxy Statement under Rule 14a-8(c).

For the foregoing reasons, we respectfully request that you concur in our view that, in accordance with Rule14a-8(j), the Company may properly exclude from its Proxy Materials for the 2004 Annual Meeting both the February Proposal and the March Proposal. Your confirmation that the Staff will not recommend enforcement action if both proposals are omitted from the 2004 Proxy Statement is respectfully requested.



Should you have any questions regarding this matter or require any additional information, please contact me at (513) 983-2810. Please acknowledge receipt of this letter by date-stamping the enclosed additional copy of this letter and returning it in the enclosed envelope.

Sincerely,

Joseph a - Steybaner
Joseph A. Stegbauer
Senior Counsel

**Enclosures** 

cc: John Jennings Crapo – w/enclosures

via Certified Mail #7099-3220-0007-6240-4852

and regular U.S. Mail

JOHN JENNINGS CRAPO, PROSE Homeless Stiffling RTRO CIV SVCE EMPLOYEE. VIETERAN USARMY AND JOYMER SSGT USARMY NATIONAL GUARD, NON PRACNE LENSED CERT SCL WRKR PORTER SQUARY US POST OFC PASEMOLOS) PO BOx 400151 side revers e blanch CAMBRIDGE MA 02140-9998 02140.000> VIA (ERTIFIED WAIL RETURN RECEIPT REQUESTER (VIA CMRKK) MAIL PIECEH 7003 2260 0007 2543 5095 COURTSY COPY to I fon USA SECURITIES AND EXCHANGE COMMISSION 14 th +5 February 2004 +to: PROCTER AND GAMBUE COMPANY ATTN PLEASE Procter and bomble Corporate Secretary or Successor as Activa Corporation Secre Lang CINCINATH OLTIO RE: MY Shareholder Broposed AND accompany-ING Supporting statement to be introduced in suproxy statement of In next Meeting of Sharrholdes and proxies Meeting as an assembled morking of Shareholder and hopes Meeting as Shockhilder Merhins of Prochrand Gamble Company

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John Jennines Craho to Procher & Camble Co. par two loss o Nine (09) pages

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PO BOX 400151 CAMBRIDGE MA 02140-0002

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John Jenninss (ropo pro se do broche & gamble (o Par Five los) of Nine 109) bares Feb. 14 hn 2004

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Esb. 14th 2004

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John Jennins: (ropo, mass to Proster & gamble co. pare seven 107/4 more 109) pages 14 Feb 2004

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John Jennings (rako, mose, to brocker & gamble (o page cym (08) of mur 109) page 14 Feb 2004

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John Jennings (rapo, moso to Brocked gamble G paye Nine(09) 1) Nine (09) page 14 Feb 2004 ISN't Some thing 100 No Falways DO. Battered poster AS I came here I Noticed a posto "Missing Have You Seen --- Patrick Kelly . - ? " posted near the Collector's office of the Broadway red line station at (force ) Boston (MA) ends my supporting statement. I send you troolor 1 comes this me long 101) com I send to the 14m U.S. Securities + Exchange Commissions Divising Corporation Kinania also by Certified mail # 7003 2260 0007 2544 7395 return recent reguestes - and long of my 1+ their stransmallar to MR DUNN, the Division's Depty Director amounts of 30 pages 11 Null) Sincerely and Couraggous by John Jenning Crafo, Mrs Se womelers Shake holdery prochart gamble Comhan End coly 14 Han franchicing LENSD (ERF End coly 14 Han fransmittal VIA (MRRA 60 CC to SEC attableau no Marko P DUNN VIA CM KRR 7003 2260 0007 2544 7395 7395 JIC/jjc

Mr John Jennings CRAPO, Mrs De PO BOX 400151 CAMBRIOLE MA 02140-0002

VIA (ev hifted mai mail and Feb 14 2004)

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USA SOCURITIES AND EXCHORT COMMISSION

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450 FIFTH Strt NW

Washing In DC 20549.0213

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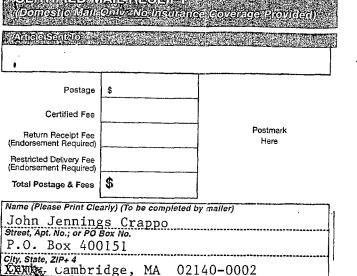
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CC 45 sand proder + gamble Combany.

Via CMRNH

JJ C/jjc



PaG

The Procter & Gamble Company Legal Division 1 P&G Plaza Cincinnati, OH 45202-3315 www.pg.com Phone: (513) 983-2810

Phone: (513) 983-2810 Fax: (513) 983-2611 stegbauer.ja@pg.com

March 5, 2004

Mr. John Jennings Crappo P.O. Box 400151 Cambridge, MA 02140-0002

Dear Mr. Crappo:

I have received your letter submitting a shareholder proposal for The Procter & Gamble Company's 2004 Proxy Statement.

Your proposal does not comply with the length requirements of the applicable regulations of the United States Securities and Exchange Commission. Specifically, Rule 14a-8d states that a shareholder proposal and the accompanying supporting statement may not exceed 500 words. Your proposal and supporting statement exceeds this limit.

Under Rule 14a-8f, if you want us to consider your proposal you must submit to us a revised proposal. If you elect to send a response via U.S. mail it must be postmarked no later than 14 days from the date you received this letter. If you wish to submit your response electronically, you must submit it to the e-mail address above within 14 days of your receipt of this letter.

If we receive a revised proposal that complies with the length requirement in this timeframe, we will review it on its merits and take appropriate action.

Regards,

Joseph A. Stegbauer

toglover

JAS/tm

<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Addictional to:</li> </ul>	44
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  Mr. John Jennings Crappo  P.O. Box 400151	ure PRO SE  Agent  Addressee  Pro addressee  Pro Addressee  Pro Addressee
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Mr John Jennings CRAPO. PRO SE, Homiles Procter & Cample Sharrhodr-POBOX 400151 CAMBRIDGE MA Our melosof Three (03) pare Vit (rehised mail 12 marin 2004 mail precest 7003 1010 0003 3508 7042 Rehern recent requested ADDRYSS CONVECTION requested to Proster AND GAMBLE COMPANY att is blear corporation sourcery or successor is sculus corp SECTI orle Proster + 6 mb/r PLZ Concinoth Old 45202. R: Shawkolder proposal Dear Mr/ms Secretary of Seriously greatinion venience AND other troubling and three tening circum stances I plan mesent the following sharledler proposal + accombanger SUPH or hus Statement in person at the nest annual merhors of short nolders and profies - Mertins, as assembled musting & stockholder of the Corporation plase include this as introdes; hard me share bolder proposal in the profis latement said Colevation, a com this letter I send via Certified want peters receipt requested to the Him USA SECUNTE and Exchange Commission enclosed is love my lette , transmitted to seed Commission of Fred courtery lokes Shareholder proposol - We REBUEST 1. 9/1minate all Future, stock options AND rescind all should options that have Not Been exercised. IF the la Hor cannot be lowfully down cancell all those that have not been exercised. This applies to to our Burno or DIRECTOR AND all others of the Corporation Where it is (OWEUI) to AFFECTUOTE This improve 2. eliminate all bonusses Runlace incentive owards with a morit SYST M OF NOT Mouse than Twenty percent increase For employees bet ow The executives, level and a way neum increase of fifth teen persons for executive sevel personnel 3. comit severance has ments to Not More shan two Years salary for all personnel

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Joseph A. Stegbauer Senior Counsel

The Procter & Gamble Company

Legal Division 1 P&G Plaza Cincinnati, OH 45202-3315 www.pg.com

Phone: (513) 983-2810 Fax: (513) 983-2611 stegbauer.ja@pg.com

May 27, 2004

### Via Certified Mail #7099 3220 0007 6240 4784 and Regular First Class United States Mail Delivery

Mr. John Jennings Crapo P.O. Box 400151 Cambridge, MA 02140-0002

Dear Mr. Crapo:

I am writing in response to your letter dated March 12, 2004 (the "March Proposal"), requesting that The Procter & Gamble Company (the "Company") include certain proposals in the Company's Proxy Statement for its 2004 Annual Meeting.

This letter is to notify you that, for the reasons set forth below, the Company intends to exclude the March Proposal from its Proxy Statement.

By a letter dated February 14, 2004, you requested that the Company include in its Proxy Statement for the 2004 Annual Meeting a proposal relating to Metamucil (the "February Proposal"). On March 5, 2004, within 14 days of receipt of the February Proposal, we notified you (the "Notice of Defects") that this proposal exceeded the 500 word limit prescribed in Rule 14a-8(d) under the Securities Exchange Act of 1934 (the "Exchange Act"). Under Exchange Act rule 14a-8(f), you were required to correct this deficiency within 14 calendar days of receipt of the Notice of Defects. However, the Company did not receive any response from you. As a consequence, the Company is not required to include the February Proposal in its Proxy Statement.

Without responding to the foregoing Notice of Defects or taking any action to withdraw the February Proposal, on March 12 you sent to us the March Proposal. The March Proposal relates to entirely different subject matters than the February Proposal, and makes no reference to the February Proposal. Pursuant to Exchange Act rule 14a-8(c), each shareholder may submit no more than one proposal to a company for a particular shareholder's meeting. Accordingly, the Company believes that it is entitled to exclude the March Proposal from its Proxy Statement, and is seeking confirmation of this from the Securities and Exchange Commission (the "SEC").



Mr. John Jennings Crapo May 27, 2004 Page Two

While the Company believes it is entitled to exclude the March Proposal as a second proposal for the reason discussed above, we further note that the March Proposal also is not in compliance with Exchange Act rule 14a-8(c) because it is not a single proposal but consists of as many as 14 distinct proposals.

In the event that the SEC were to determine that the March Proposal is not a second proposal, you would be entitled to submit that proposal for inclusion in the Company's proxy statement, but only if you submit to the Company a revised proposal that complies with the single proposal requirement of Exchange Act rule 14a-8(c) within 14 days of receipt of this letter. You should understand that the Company does not waive any rights to object to any revised proposal that you may choose to submit, whether pursuant to Exchange Act rule 14a-8(c) or pursuant to any other grounds permitted by rule 14a-8.

Sincerely,

Joseph A. Stegbauer

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Sincerely,

Joseph A. Stegbauer

on the reverse side?	SENDER:  Complete items 1 and/or 2 for additional services.  Complete items 3, 4a, and 4b.  Print your name and address on the reverse of this form so that we card to you.  Attach this form to the front of the mailpiece, or on the back if space permit.  Write "Return Receipt Requested" on the mailpiece below the article.  The Return Receipt will show to whom the article was delivered and delivered.	e does not	I also wish to receive the following services (for an extra fee):  1.  Addressee's Address 2.  Restricted Delivery Consult postmaster for fee.	
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## DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

# Response of the Office of Chief Counsel Division of Corporation Finance

Re: The Procter & Gamble Company Incoming letter dated June 2, 2004

The first proposal requests a report regarding "Metamucil Fiber Wafers, Fiber Laxative." The second proposal requests that Procter & Gamble take action with respect to 14 items.

There appears to be some basis for you view that Procter & Gamble may exclude the first proposal under rule 14a-8(f). We note in particular that the proposal appears to exceed the 500-word limitation imposed by rule 14a-8(d). Accordingly, we will not recommend enforcement action to the Commission if Procter & Gamble omits the proposal from its proxy materials in reliance on rules 14a-8(d) and 14a-8(f).

There appears to be some basis for your view that Procter & Gamble may exclude the second proposal under rule 14a-8(f) because the proponent exceeded the one-proposal limitation in rule 14a-8(c). Accordingly, we will not recommend enforcement action to the Commission if Procter & Gamble omits the second proposal from its proxy materials in reliance on rules 14a-8(c) and 14a-8(f).

Sincerely,

Grace K. Lee Special Counsel